CDBG Orientation Webinar Series

4. Program Administration
The Orientation Webinar Series

1. Getting Started – January 11, 2022 (Completed)
2. Environmental Review – January 18, 2022 (Completed)
3. Financial Management – February 1, 2022 (Completed)
4. Program Administration – Today
5. Lead Based Paint Compliance – February 15, 2022
Today’s Topics

➢ Administrative Requirements
➢ Qualifying Activities
➢ Selecting Beneficiaries
➢ Procurement & Contracting
➢ Other Federal Requirements
➢ Recordkeeping & Reporting
➢ Monitoring
Administrative Requirements
Regulations on Grant Administration

General Housekeeping Note

All Request for Funds forms must be submitted to DISBURSEMENTS@hcr.ny.gov. Please do not copy your assigned Community or Economic Developer when submitting requests.

All Request for Funds Forms have been updated, outdated versions will not be accepted, all forms are available on the CDBG website.

Please contact your Community or Economic Developer with any questions.
Regulations on Grant Administration

2 CFR Part 200 Administrative Requirements

• Subpart D
  Financial Management, Property Standards, Procurement, Reporting and Monitoring, Records (replaces 24 CFR Part 85)

• Subpart E
  Cost Principles (replaces A-87 & A-122)

• Subpart F
  Audit (replaces A-133)

24 CFR 570.489
Grant Administration Manual

Forms and Documents

Grant Agreement Forms

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<th>Fillable Forms:</th>
<th>Instructions:</th>
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Schedule A Condition Forms

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<td>Program Information Form</td>
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<td>Applicant Disclosure Form</td>
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Community Development Block Grant | Homes and Community Renewal (ny.gov)
Recipient Responsibilities

Recipients are directly responsible for the grant funds and compliance

- If Recipient uses subrecipient or consultant, properly select and enter a contract for services
- Recipient must oversee progress and compliance; must remain responsible for draws/disbursements

An administrative plan and program manual is recommended
Agreements with Program Partners

Intergovernmental Agreement
• Intergovernmental Agreements must be submitted to OCR
• Do not confuse with Subrecipient

Subrecipients
• Can be designated without procurement
• Subrecipient Agreement must be submitted to OCR

Consultants/Engineers
• Subject to procurement requirements
• Must have written agreements in place
Public Participation

CDBG rules require transparency and public participation

- 1\textsuperscript{st} public hearing conducted during application

- 2\textsuperscript{nd} Public Hearing must occur during grant administration process
  - Notice must be provided in newspaper
  - Template for second hearing available

https://hcr.ny.gov/first-public-hearing-template
https://hcr.ny.gov/first-public-hearing-template-instructions
CDBG Public Hearing Requirements

The Federal Housing and Community Development Act “encourages citizen participation, with particular emphasis on participation by persons of LMI,” both in the preparation of CDBG applications and throughout the implementation of local CDBG projects.

- Public hearings should be held at a time and place convenient to the general public, with accommodations for persons with disabilities
- Two (2) public hearings are required:
  - First hearing must happen between proposal and application (see template)
    - Notice should identify the amount of CDBG funding requested, the program year, and the proposed activities
  - For those awarded, second hearing must be complete before submission of the request for closeout
- Current guidance allows for virtual hearings
- Must be conducted before a quorum of the legislative body (must be the municipality’s official legislative body, not a division of local government)
- Municipality must provide a minimum seven (7) day period between the publication of the hearing notice and the hearing itself. Note that the date of publication is day “zero.” See below.

  ![Hearing Schedule Diagram]

- Hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing. This can be a physical posting (e.g. Town hall bulletin board) or on a website. Evidence of posting must be attached to the application.
  - Acceptable evidence of posting: Website screenshot or digital photo with date, written attestation, or other clear evidence documenting the above.
- A copy of the application must be available for public inspection at the municipal office(s).
- Municipalities are strongly encouraged to accept comments from the public at least 48 hours after the date of the hearing.
  - The public hearing must also disclose the following information to citizens, which includes, but is not limited to:
    - The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated Program Income)
    - A listing of the activities to be undertaken with CDBG funds
    - The estimated amount of CDBG funds proposed for activities that benefit LMI National Objective
    - The proposed CDBG activities likely to result in displacement and the municipality’s anti-displacement and relocation plan required under 24 CFR 570.488
- Recent legislation requires documents that are going to be discussed at open meetings to be made available on request and to be posted on the government’s website at least 24 hours prior to the meeting, giving the public access to these important documents in advance.

Ready to Submit an Application?
- The following list MUST be submitted with all applications to serve as documentation that the Citizen Participation requirements have been fully met:
  - Affidavit of Publication as provided by the newspaper
  - A full, clearly legible copy of the legal notice as published

https://hcr.ny.gov/cdbg-public-hearing-requirements
Public Participation

Other transparency requirements

- Environmental review publication
- Marketing and outreach
- Public reports (APR)
Qualifying All CDBG Activities

Every activity must be an eligible activity as defined in the rule.

Every CDBG must be an eligible activity and meet one of three National Objectives:

• Benefit low- and moderate-income persons/families (LMI)
• Aid in the prevention or elimination of slums or blight OR
• Meet an urgent community development need

Eligibility must be documented for each project or activity.
Selecting & Documenting Beneficiaries

Marketing & outreach – affirmatively furthering fair housing

Income eligibility – low- and moderate-income limits & income documentation

- CPD Income Calculator: https://www.hudexchange.info/incomecalculator/

Conflict of interest – later in webinar
Procurement
Procurement Regulations

OCR has adopted federal procurement standards (formerly 85.36, now 2 CFR 200.317 – .326)

Recipient written procurement standards/procedures including:

- Procurement review
- Solicitation procedures to ensure free & open competition
- Selection procedures that ensure responsible contractors & cost/price analysis, including debarred contractors
- Standards of conduct for staff/officials
- Contract administration & dispute process
- Procurement & contracting records
- Must address EEO and Section 3
Methods of Procurement

Permitted methods under different circumstances (2 CFR 200.320) – unless local standards are stricter

- Micro-purchases (under $3,000)
- Small purchase procedures (under $100,000) – not for professional services
- Sealed bid – used for most construction
- Competitive proposals – used for most professional services
- Non-competitive proposals/single source
Contract Requirements

References:
- 2 CFR Part 200, Appendix II

Key requirements:
- Bonding – all construction contracts over $100,000 must include provisions for bid, performance and payment bonds
- Section 3 Rider included in its entirety
- Refer to GAM Chapter 4
Other Federal Requirements
Labor Standards

Davis-Bacon - applicable to any construction projects over $2,000 and housing rehabilitation contracts over 8 units.

8 Step Process
1. Determine applicability
2. Designate Labor Standards Compliance Officer
3. Request state & federal wage determination
4. Include wage rates in bid documents/contracts
5. Maintain evidence of procurement & contract compliance
6. Cover requirements at preconstruction conference
7. Monitor contractor performance (onsite inspections, weekly payroll reports, interview employees)
8. Investigate violations
Conflict of Interest

Two regulatory provisions

- **Procurement** – 2 CFR 200.318(c)(1)
  - No participation in selection, award, administration of contract if financial or other interest

- **Assistance** – 570.489(h)
  - Presumption of conflict; request exception from HUD

- **Covered persons** –
  - employee, agent, officer of state/recipient/subrecipient
  - Immediate family member or partner
  - Any organization employing/about to employ

- Follow guidance in [GAM](#) for submission requirements
Project Sign

Project sign required at all construction sites

Sign costs are an eligible expense (construction or an administrative expense)

- Sign Specifications are available [here](#)
- Keep picture of the project sign in the project file
Acquisition & Relocation

Recipients must comply with URA and Section 104(d) of HCDA 1974

Anti-Displacement and Relocation Assistance Plan
• Required for any project that has the potential to cause displacement, relocation or replacement (i.e. HR projects).
• See GAM for further guidance on property acquisition and management
Other General Requirements in Chapter 5

• Lead-based paint
  To be covered in Webinar 5 of this series (February 15)

• **Civil rights**
  Affirmatively Furthering Fair Housing
  Accessibility,
  EEO
  Section 3
  Minority and Women’s Business Enterprises (M/WBE)

• Property management & change of use
Recordkeeping & Reporting
File Maintenance

Establish files per OCR GAM and labels on OCR website

- [https://hcr.ny.gov/community-development-block-grant](https://hcr.ny.gov/community-development-block-grant)
- Grant Files (Program Files)
- Application
- Contract
- Program Administration
- Financial Management
- Project Files
- Regulatory Compliance files
File Maintenance

Establish files per OCR GAM and labels on OCR website

L-1 Label Instructions
L-2 Program Administration Labels
L-3 Public Facility / Water and Sewer Labels
L-3 Public Facility / Water and Sewer Label Instructions
L-4 Homeownership Labels
L-4 Homeownership Label Instructions
L-5 Housing Rehabilitation Labels
L-5 Housing Rehabilitation Label Instructions
L-6 Micro Enterprise Labels
L-7 Economic Development Labels
Program Administration Files

- Environmental Review Record
- Public participation (hearings)
- Administration Plan
- Procurements, contracts/agreements
- Other federal requirements
- Monitoring
- National Objective documentation
Project Files

Varies by type of activity; key categories of documentation:

- Applicant/project qualification & agreement
- Legal documents
- Project procurement & contracts
- Construction inspections & documentation
- Disbursements
- National objective documentation
Regulatory Compliance Files

May be for program or by individual project

- Procurement
- Citizen Participation
- Civil Rights
- Primary and National Objectives
- Environmental Review
- Labor Standards
- Lead Based Paint/Property Standards
- Anti-Displacement and Relocation
- Conflict of Interest
- Real Property Management
- Monitoring
Reporting Requirements

Davis-Bacon (April and October)

MWBE (annually) and Section 3 (quarterly)

Annual Performance Report (APR)

State Federal Assistance Expenditure Report (FAE) and Federal single audits requirements – next webinar
Annual Performance Report (APR)

APR Housing Activities
APR Public Water-Public Sewer-Public Facilities Activities
APR Economic Development-Small Business Assistance and Microenterprise

- Recipient Information
- Project Status Narrative
- Beneficiary Data & Performance Measurements (each activity)
- Program Income
- Final Performance Report documentation
- Certification

OCR submits all data to HUD through the Consolidated Annual Performance and Evaluation Report (CAPER)
Monitoring
OCR Monitoring of Recipients

OCR will monitor recipient performance to ensure compliance and timely expenditure

Monitoring activities:

• Review of reports
• At least one onsite or remote review of records, staff interviews, site inspections
• Technical assistance visits & abbreviated monitoring
Preparing for OCR Monitoring

- Complete and return OCR pre-monitoring checklist
- Organize the files as recommended in Manual
- Check the files for completeness
- Review the appropriate sections of the Manual
- Provide access to all applicable files and records
- Ensure that staff are available to address any questions
- Contact property owners in advance to schedule site visits on the day of the monitoring.
Monitoring Focus

Program progress against schedule & budget
Adequate documentation (file maintenance)
Compliance with regulatory requirements
  • National objectives
  • Environmental
  • Public participation
  • Procurement
  • Other federal requirements (e.g., labor, relocation)
  • Financial management – refer to prior webinar
Monitoring Responsibilities of Recipients

Recipients must monitor their subrecipients, consultants, contractors that assist with project administration

• Check their initial project file carefully
• Meet with them regularly
• Monitor their progress and requests for draws against the project schedule
• Check their files at regular intervals
• Document any monitoring that you do

Remember: you are responsible for their performance
Questions & Wrap Up
Any Questions?
After this Webinar

If you have any further questions following the conclusion of this webinar, submit your questions to ocrinfo@hcr.ny.gov or contact the Office of Community Renewal at 518-474-2057

Please visit the OCR website at Community Development Block Grant | Homes and Community Renewal (ny.gov)
Upcoming Webinars

Next up in the Program Orientation Webinar Series:

Lead Based Paint Compliance – February 15, 2022